

Assisted Living – A Critical Option for America’s Seniors

The National Center for Assisted Living (NCAL) is the assisted living voice of the American Health Care Association, and is dedicated to serving the needs of the assisted living community through national advocacy, education, networking, professional development, and quality initiatives. NCAL represents approximately 2,700 assisted living communities that are home to more than 123,000 frail, elderly Americans.

What is assisted living?

Assisted living is a major and growing component of the long term care spectrum. About 1 million Americans now live in assisted living or residential care communities. This is a dynamic industry that continues creating new forms of personal care services and housing opportunities in response to consumer desires and needs. Assisted living communities provide resident-centered care that respects individual choice, dignity, and autonomy. Services include assistance with activities of daily living (e.g., dressing, bathing or using the bathroom) and medication management.

Who is the typical assisted living resident?

The typical assisted living resident is an 87-year-old woman with a median annual income of \$19,000, according to national research. Often, assisted living residents are spending down assets before going onto Medicaid. The average length of stay is 28 months. One third of residents will die while in assisted living settings. Of the remaining two thirds, approximately 60 percent will move to a nursing home. The typical resident has several health conditions such as arthritis and high blood pressure. More than one third have Alzheimer’s disease or other conditions that compromise cognitive abilities.

Medicaid

About 13 percent of assisted living residents receive care paid for under the Medicaid program. Issues with Medicaid include:

- Medicaid rates are typically far less than market rates. This chronic funding problem is worsening as many state budgets are in crisis.
- Because assisted living is a non-institutional, community-based care setting, Medicaid does not pay for room and board costs; state payment for these items is typically far below provider costs.
- The Centers for Medicare & Medicaid Services (CMS) is considering regulations that would define Medicaid home and community-based settings for the first time. These regulations have the potential to exclude some types of assisted living communities, particularly larger communities, from the Medicaid program. As evidenced by new research by the U.S. Department of Health & Human Services that explores how people use long term care insurance funds, assisted living communities are a highly valued option for frail, elderly seniors. So, potentially excluding assisted living from the Medicaid program doesn’t make sense.

Regulation of Assisted Living

Assisted living/residential care communities are regulated at the state level. Though state licensure terms vary, states license or certify assisted living providers – either these communities themselves, their care providers, or both. States establish standards including staff training, resident assessment, medication and care management, move in/move out rules, and fire safety. State regulations have been evolving in response to the marketplace. In each of the last several years, more than a third of the states have made regulatory or policy changes. State regulations are tracked and analyzed annually by NCAL and every few years by the Department of Health & Human Services.

Key Facts

- About 1 million Americans live in assisted living or residential care communities.
- Assisted living communities provide resident-centered care that respects individual choice, dignity & autonomy.
- The typical assisted living residents is an 87-year-old woman with multiple health conditions (e.g., arthritis & high blood pressure – many have Alzheimer’s or other cognitive impairments), living on an annual income of \$19,000, who stays 28 months on average.
- About 13% of assisted living residents rely on Medicaid for their care.

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